

## Message Text

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71

ACTION EB-11

INFO OCT-01 ARA-11 EUR-25 IO-12 ADP-00 AGR-20 CEA-02

CIAE-00 COME-00 DODE-00 FRB-02 H-02 INR-10 INT-08

L-03 LAB-06 NSAE-00 NSC-10 PA-03 RSC-01 AID-20

CIEP-02 SS-15 STR-08 TAR-02 TRSE-00 USIA-12 PRS-01

OMB-01 OIC-04 AF-10 EA-11 NEA-10 RSR-01 /224 W

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R 071425 Z MAY 73

FM USMISSION GENEVA

TO SECSTATE WASHDC 9176

INFO AMEMBASSY LONDON

AMEMBASSY BRIDGETOWN

AMEMBASSY GEORGETOWN

AMEMBASSY KINGSTON

AMEMBASSY PORT OF SPAIN

USMISSION EC BRUSSELS

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E. O. 11652: N/ A

TAGS: ETRD, GATT, UK, US

SUBJECT: UK DOLLAR AREA QUOTAS ( DAQ)

REF: GENEVA 2011

SUMMARY: DAQ PANEL INFORMED US/ UK DELS MAY 7 IT URGES  
BILATERAL US- UK CONSULTATIONS ASAP AND REQUESTED  
WEEKLY STATUS REPORT ON PROGRESS. UK POSITION STILL UNDER REVIEW  
IN LONDON BOTH AS TO PROCEDURE AND SUBSTANCE OF POSSIBLE SOLUTION.  
PANEL GAVE SOME MORE PRECISION TO " PRISE- EN- CHARGE" ALTERNATIVE.  
END SUMMARY.

1. PANEL MET MAY 7 WITH US AND UK REPS JOINTLY. CHAIRMAN ANNOUNCED  
THAT PANEL, AFTER REFLECTING ON COUNCIL DISCUSSION  
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( REFTEL), FELT US- UK SHOULD HOLD BILATERAL CONSULTATIONS ASAP, EXPRESSED VIEW UK HAD AMPLE MEANS TO CONSULT WITH AND KEEP CARIBBEAN COUNTRIES INFORMED OF DEVELOPMENTS IN SUCH BILATERAL BUT OFFERED PANEL' S " GOOD OFFICES" IF UK PREFERRED USE PANEL AS CHANNEL TO CARIBBEANS, AND ASKED US/ UK KEEP PANEL INFORMED OF DEVELOPMENTS ON WEEKLY BASIS BEGINNING MAY 14.

2. US REP ( CULBERT) SAID US PREPARED CONSULT UK BILATERALLY WITH CAVEATS PREVIOUSLY EXPLAINED TO PANEL AND IN COUNCIL PER STATE 08531.

3. UK REP EXPRESSED DISAPPOINTMENT PANEL DID NOT ACCEPT UK POSITION THAT ALL INTERESTED CPS SHOULD BE PARTIES TO CONSULTATIONS. HE SAID UK POSITION STILL UNDER REVIEW IN LONDON AND, IN RESPONSE QUERIES, SAID ALL ALTERNATIVES SUGGESTED BY PANEL ARE UNDER SERIOUS CONSIDERATION. UK HOPES MEET WITH CARIBBEAN HIGH COMMISSION IN LONDON " SHORTLY". IN RESPONSE TO PROBING AS TO ANY OTHER ALTERNATIVES UK MIGHT SEE, UK REP SAID HE UNDERSTANDS SOME CONSIDERATION HAS BEEN GIVEN TO HMG PURCHASES OF SOME CARIBBEAN PRODUCTS FOR USE OF BRITISH ARMED FORCES.

4. US REP ASKED FURTHER CLARIFICATION OF PANEL' S " PRISE- EN- CHARGE" SUGGESTION. PANEL MEMBER DUNKEL ( SWITZ) CITED TWO SUCH ARRANGEMENTS ARE IN FORCE IN SWITZERLAND WHICH ARE COVERED BY PROTOCOL OF SWISS ACCESSION TO GATT INsofar AS THEY MAY TECHNICALLY CONTRAVENE GATT, E. G. ARTICLE III: 7. ONE ARRANGEMENT REQUIRES TWO MAJOR SWISS IMPORTERS OF EGGS TO MARKET ONE SWISS EGG FOR EVERY TWO IMPORTED EGGS. SECOND ARRANGEMENT INVOLVES A SIMILAR MARKETING ARRANGEMENT FOR DOMESTIC AND IMPORTED POULTRY. PANEL MEMBER TOMIC SAID SIMILAR ARRANGEMENTS USED BY YUGOSLAVIA IN ITS RELATIONS WITH SOME EASTERN EUROPEAN COUNTRIES. DUNKEL SAID POSSIBLE APPLICABILITY OF THIS KIND OF SYSTEM TO DAQ PRODUCTS MIGHT BE EITHER FORMAL OR INFORMAL DEPENDING ON WHETHER SMALL NUMBER OF UK IMPORTERS DOMINATE TRADE IN PARTICULAR PRODUCT AND HOW RECEPTIVE THEY MAY BE TO GOVERNMENTAL PRESSURE ( E. G. IMPORTERS WOULD PRESUMABLY WISH TO AVOID PAPER WORK OF SPECIFIC LICENSES AND MIGHT COOPERATE AS EFFECTIVELY BUT INFORMALLY IN HMG MADE CLEAR IT WOULD INSTITUTE LICENSING SYSTEM IF NECESSARY). DUNKEL SUGGESTED ANY PRICE DISADVANTAGE INCURRED BY IMPORTERS OF HIGHER- PRICE ( OR LOWER QUALITY) CARIBBEAN PRODUCTS COULD BE PASSED ON BY AVERAGING LIMITED OFFICIAL USE

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PRICES WITH MUCH LARGER IMPORTS OF SAME PRODUCTS FROM OTHER SOURCES. DUNKEL SUGGESTED SMALL VOLUME OF CARIBBEAN EXPORTS MIGHT LEAND ITSELF TO PURELY PRIVATE UNDERSTANDING BETWEEN UK IMPORTERS AND CARIBBEAN EXPORTERS.  
BASSIN

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\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

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**TAGS:** ETRD, UK, US, GATT  
**To:** BRIDGETOWN  
EB  
EC BRUSSELS  
GEORGETOWN  
KINGSTON  
LONDON  
PORT OF SPAIN

SECSTATE WASHDC

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